Message Text

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ACTION EA-14

INFO OCT-01 ISO-00 AID-20 CIAE-00 DODE-00 NSAE-00 NSCE-00

SSO-00 USIE-00 INRE-00 PM-07 H-03 INR-10 L-03 NSC-10

PA-04 RSC-01 PRS-01 SPC-03 SS-20 ACDA-19 IO-14 EB-11

COME-00 IGA-02 TRSE-00 OMB-01 SCEM-02 DRC-01 (ISO) W ------ 041747

O R 051045Z DEC 73

FM AMEMBASSY PHNOM PENH

TO SECSTATE WASHDC IMMEDIATE 4059

INFO CINCPAC

AMEMBASSY SAIGON

AMEMBASSY BANGKOK

AMEMBASSY SINGAPORE

AMEMBASSY JAKARTA

CONFIDENTIAL PHNOM PENH 13487

STATE/AID

E.O. 11652: GDS TAGS: ENGR, CB

SUBJECT: CAMBODIA POL RESUPPLY

REF: (A) PHNOM PENH 13458

(B) PHNOM PENH 13340 (NOTAL)

1. AS INDICATED REFTELS, WE WILL FALL FAR SHORT OF CIVILIAN SUPPLY GOALS OF FILLING STORAGE CAPACITY BY DEC31. DETAILS ARE AS FOLLOWS IN CM:

NET DELIVERIES DEFICIT/

REQUIREMENTS SCHEDULED EXCESS

MOTORGAS 4,518 2,600 (1,918) KEROSENE 6,062 3,000 (3,062) AUTO DIESEL 16,174 500 (15,674)

INDUSTRIAL DIESEL 3,131 1,000 (2,131)

FUEL OIL 9,760 3,800 (5,960)

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JP-1 126 0 (126)
AVGAS 100 2,480 1,050 (1,430)
AVGAS 115 300 1,200 900
42,551 13,150 (29,401)

- 2. THE DEFICIT INCLUDES RELATIVELY MINOR CONTRACT SHORTFALLS ON THE PART OF CALTEX AND SHELL. HOWEVER, THERE IS A SHORTFALL OF 12,000 CM UNDER THE SUMMIT CONTRACT WHICH HAS DEVELOPED OVER THE PAST FEW MONTHS. THE GKR HAS CABLED SUMMIT TO SEND A REPRESENTATIVE TO PHNOM PENH TO DISCUSS THE FAILURE TO SUPPLY IN ACCORDANCE WITH THEIR CONTRACT. THE CABLE HAS BEEN FOLLOSED BY A LETTER. THERE HAVE BEEN NO RESPONSES TO EITHER COMMUNICATION. THE PRESIDENT-DIRECTOR GENERAL OF TELA KHMER ADVISES THAT IF NO REPLY IS RECEIVED THIS WEEK, HE WILL GO TO BANGKOK TO DISCUSS THE SITUATION WITH SUMMIT.
- 3. THE MINISTER OF COMMERCE AND THE PRESIDENT-DIRECTOR GENERAL OF TELA KHMER WILL DEPART SATURDAY DECEMBER 8 FOR BANGKOK, SINGAPORE, AND JAKARTA TO SEEK ADDITIONAL POL SUPPLIES. IN SINGAPORE THEY WILL TALKS WITH SHELL ABOUT ADVANCING DELIVERIES UNDER THE CONTRACT AND IN INDONESIA THEY WILL SEEK AN ENTIRELY NEW SOURCE OF SUPPLY.
- 4. NOTWITHSTANDING THE VARIOUS EFFORTS DESCRIBED ABOVE, WE BELIEVE IT IS URGENTLY NECESSARY FOR THE DEPARTMENT TO CONTACT SHELL, CALTEX, AND ESSO IN THE U.S. A STRONG APPEAL SHOULD BE MADE FOR PRODUCTS IN THE QUNTITIES SHOWN IN PARA 1 ABOVE. IT IS DESIRABLE THAT THESE QUANTITIES BE OBTAINED AS ADDITIONAL AMOUNTS FOR CAMBODIA EVEN ABOVE AND BEYOND CONTRACT AMOUNTS. THE QUANTITIES ARE RELATIVELY SMALL AND WOULD PROBABLY NOT AFFECT THE TOTAL SUPPLY POSITION OF ANY ONE COMPANY BY VERY MUCH. IF THE TOTAL NEED WERE SHARED BY THE THREE, WITH ESSO COMING IN WITH A SMALL NEW SUPPLY CONTRACT (THE FORMER ONE HAS BEEN FULFILLED), THE REQUIREMENT BECOMES EVEN MORE MODEST.
- 5. IN THE EVENT THAT COMPANIES CONSIDER THEY ARE UNABLE TO PROVIDE ADDITIONAL PRODUCT TO THEIR CONTRACT AMOUNTS, IT SHOULD BE SUGGESTED TO THEM THAT DELIVERY OF THESE AMOUNTS IN DECEMBER COULD AND SHOULD BE CONSIDERED AS ADVANCE DELIVERIES OF CONTRACT AMOUNTS SINCE CONTRACTS RUN THROUGH TO MAY. THE JUSTIFICATION FOR THIS REQUEST WOULD BE THE DESIRABILITY OF CONFIDENTIAL

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GETTING AS MUCH PRODUCT UP THE RIVER BEFORE THE RIVER RECEDES TO ITS LOWEST POINT. THIS APPROACH WOULD REPRESENT A FRONT LOADING OF THE BALANCE OF DELIVERIES DUE UNDER THE CONTRACTS.

6. THE CONTRACT AMOUNTS ARE BASED ON THE BASIC SUPPLY CONTRACTS BETWEEN TELA KHMER AND THE COMPANIES. EACH CONTRACT SPECIFIES DELIVERY REQUIREMENTS BY PRODUCT. THE SCHEDULE OF DELIVERY FOR THE CONTRACTS AND THE AVERAGE MONTHLY DELIVERY IS AS FOLLOWS:

PRODUCT TOTAL MONTHLY $AVERAGE \\ MO \qquad 36,000 \qquad 3,000 \\ KO \qquad 30,000 \qquad 2,500 \\ \\$

```
ADO
         30,000
                  2,500
IDO
        52,800
                 4,400
FO
        66,000
                 5,500
JP-1
        4,320
                  360
AVG 100 14,400
                  1,200
AVG 115
           6,480
                   540
TOTAL
          240,000
                   20,000
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THE TOTAL CONTRACT AMOUNT BY PRODUCT AND BY COMPANY, AS AGAINST AMOUNT DELIVERED THUS FAR UNDER THE CONTRACTS, AND THE BALANCE IS AS FOLLOWS:

CONTRACT AMOUNT DELIVERED BALANCE FOR JUNE 73-MAY 74 THRU DEC 1 REMAINING

SHELL

MO	15,600	8,505	7,095		
KO	12,960	12,363	597		
ADO	12,960	6,175	6,785		
IDO	35,400	20,354	15,046		
FO	43,920	15,805	28,115		
JP-1	4,320	1,800	2,520		
AVG 100 14,400		6,000	8,400		
AVG 115 6,480		2,700	3,780		
TOTAL 146,040		73,702 72,338			
CALTEX					
MO	3,600	2,092	1,508		
KO	3,000	1,893	1,107		
ADO	3,000	3,474(MINUS)- 474			
IDO	5,280	0	5,280		
FO	6,600	2,577	4,023		
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TOTA	L 21,480	10,036	11,444
SUMN	1IT		
MO	16,800	3,975	12,825
KO	14,040	5,279	8,761
ADO	14,040	5,411	8,629
IDO	12,120	3,063	9,057
FO	15,480	8,103	7,377
TOTA	L 72,480	25,831	46,649

NOTE: ESTIMATED MONTHLY REQUIREMENT FOR AVG 100, AVG 115, AND JP-1 AS NO CONTRACT MADE FOR THESE ITEMS.

7. IT WILL BE SEEN FROM THE FOREGOING THAT THERE IS SUFFICIENT SCOPE UNDER THE CONTRACTS TO APPLY A FORWARD LOADING CONCEPT. IT MUST, HOWEVER, BE NOTED THAT IN ORDER TO KEEP CAMBODIA SUPPLIED WITH SUFFICIENT POL TO MEET MINIMUM ESSENTIAL CIVILIAN NEEDS, THE AMOUNTS IN EXCESS OF THE BASIC CONTRACTS WILL NEED TO BE SUPPLIED DURING THE COURSE OF THE NEXT MANY MONTHS. AS WASHINGTON IS AWARE, WITH EACH CONVOY THE MEKONG SECURITY SITUATION BECOMES MORE TENUOUS. TIME IS OF THE ESSENCE IN MAKING PRODUCT AVAILABLE FOR DELIVERY.

8. SUBSEQUENT TO DRAFTING THE FOREGOING, WE WERE ADVISED BY

TELA KHMER THAT SUMMIT IN BANGKOK HAS BEEN CLOSED DOWN DUE TO A STRIKE, THEREFORE, ALL FURTHER DELIVERIES BY SUMMIT ARE AT LEAST TEMPORARILY SUSPENDED. ENDERS

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Declassified/Released US Department of State EO Systematic Review 30 JUN 2005

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Subject: CAMBODIA POL RESUPPLY TAGS: ENRG, CB To: STATE INFO CINCPAC

SAIGON **BANGKOK** SINGAPORE JAKARTA

Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005

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